



BUSINESS MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, October 9, 2012
Lansing District Office
7150 Harris Drive
Lansing MI 48909

Present: Andrew J. Deloney, Chairman
Teri L. Quimby, Commissioner
Dennis Olshove, Commissioner

Absent: None

Staff: Kerry Krone, Business Manager
Steve Robinson, Director of Finance Division
Julie Wendt, Director of Executive Services Division
Pamela Hamilton, Deputy Director of Finance Division
Tim Kovacik, Deputy Director of Executive Services Division
Gerald Whalen, 1st Assistant Attorney General
Anita Fawcett, Executive Services Division

The meeting was called to order by Chairman Deloney at 11:01 a.m., noting a quorum was present.

- I. **Moved by Commissioner Olshove, supported by Commissioner Quimby, that the minutes of the Commission meeting of September 11, 2012, be approved as written and presented, motion carried by unanimous vote.**
- II. Mr. Robinson presented the E-Quote reports for product listings in four categories and requested approval of the following:
 - A. That the products listed below be granted exceptions to the standard pack size, inasmuch as the items are packaged nationally or meet other exceptions as indicated and be approved for listing in the approved products list effective October 28, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Havana Club Rum	6 Bottles

Jim Beam Brands Co. (NWS Michigan, Inc.)	750ml Sauza Extra Anejo Tequila	3 Bottles
Black Rock Spirits, LLC (NWS Michigan, Inc.)	750ml Sparkle Donkey Reposado	6 Bottles
Temperance Distilling Company (NWS Michigan, Inc.)	750ml Sparkle Donkey Silver	6 Bottles
	375ml Liquor Whipped Caramel Vodka	12 Bottles
	375ml Liquor Whipped Chocolate Vodka	12 Bottles
	375ml Liquor Whipped Vanilla Vodka	12 Bottles
	375ml Liquor Whipped Wh Choc Peppmnt	12 Bottles
Cana Distributors LLC (NWS Michigan, Inc.)	375ml Cavatappii Nebbiolo Grappa	12 Bottles
	375ml Clear Creek Apple Brandy	12 Bottles
	375ml Clear Creek Apple 8 yr Brandy	12 Bottles
	375ml Clear Creek Blue Plum Brandy	12 Bottles
	375ml Clear Creek Kirschwasser Brandy	12 Bottles
	375ml Clear Creek Muscat Grappa Brandy	12 Bottles
	375ml Clear Creek Pear Brandy	12 Bottles
	375ml Clear Creek Pinot Grig Grappa	12 Bottles
	375ml Clear Creek Pinot Noir Grappa	12 Bottles
	Laird & Company (NWS Michigan, Inc.)	750ml Le Revisieur VS Cognac
750ml Le Revisieur VSOP Cognac		6 Bottles
MHW, Ltd. (General Wine & Liquor Co.)	750ml Cruz Del Sol Reposado	6 Bottles
	750ml Cruz Del Sol Silver	6 Bottles
Moet Hennessy USA, Inc. (NWS Michigan, Inc.)	750ml Ardbeg Galileo Whiskey	6 Bottles
Skyy Spirits, LLC (General Wine & Liquor Co.)	200ml Wild Turkey 81 Bourbon	24 Bottles
The Wine Group, Inc. (General Wine & Liquor Co.)	750ml Big House Bourbon	6 Bottles
	750ml Big House Tupelo Honey	6 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	50ml Baileys Variety Pack PL	80 Bottles
	200ml Nuvo Peach Cobbler	12 Bottles
	200ml Nuvo Red Velvet Cake	12 Bottles
Anchor Distilling Company (General Wine & Liquor Co.)	750ml H By Hine VSOP Cognac	6 Bottles
	750ml Hine Antique XO Cognac	6 Bottles
	750ml Hine Antique XO Premier Cru	6 Bottles
	750ml Hine Homage Cognac	6 Bottles
	750ml Hine Rare VSOP Cognac	6 Bottles
	750ml Hine Triomphe Cognac	4 Bottles

A. That the products listed below be granted exceptions to the standard pack size, inasmuch as the items are packaged nationally or meet other exceptions as indicated and be approved for listing in the approved products list effective December 2, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Cana Distributors LLC (NWS Michigan, Inc.)	375ml Clear Creek Cassis	12 Bottles
	375ml Clear Creek Cherry	12 Bottles
	375ml Clear Creek Douglas Fir	12 Bottles
	375ml Clear Creek Loganberry	12 Bottles
	375ml Clear Creek Oregon Cranberry	12 Bottles
	375ml Clear Creek Pear Liqueur	12 Bottles
Park Street Imports LLC (General Wine & Liquor Co.)	50ml Blue Nectar Variety Case Tequila	60 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	750ml Talisker 30 yr Scotch	6 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective October 28, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Bacardi Y CIA Limited Edition	12 Bottles
	750ml Bombay Sapphire East Gin	12 Bottles
Cana Distributors LLC (NWS Michigan, Inc.)	750ml Clear Creek Apple Brandy	12 Bottles
	750ml Clear Creek Apple in Bottle Brandy	12 Bottles
	750ml Clear Creek Apple 8 yr Brandy	12 Bottles
	750ml Clear Creek Blue Plum Brandy	12 Bottles
	750ml Clear Creek Kirschwasser Brandy	12 Bottles
	750ml Clear Creek McCarthys Sngl Mlt	12 Bottles
	750ml Clear Creek Oregon Brandy	12 Bottles
	750ml Clear Creek Pear Brandy	12 Bottles
	750ml Clear Creek Pear in a Bottle Brandy	12 Bottles
	E. & J. Gallo Winery (General Wine & Liquor Co.)	1000ml Camarena Reposado Tequila
1000ml Camarena Silver Tequila		12 Bottles
Heaven Hill Distilleries, Inc. (General Wine & Liquor Co.)	750ml Rittenhouse Rye	12 Bottles
Charles Jacquin Et Cie, Inc. (General Wine & Liquor Co.)	750ml Pennsylvania Dutch Pumpkin	12 Bottles
Overseas International, Inc. (General Wine & Liquor Co.)	750ml Stawski Russian Rifle Vodka	12 Bottles
Pernod Ricard USA, LLC (NWS Michigan, Inc.)	1000ml Kahlua Midnight Coffee	12 Bottles
Moet Hennessy USA, Inc. (NWS Michigan, Inc.)	750ml Grand Marnier Cherry	12 Bottles
Skyy Spirits, LLC (General Wine & Liquor Co.)	375ml Flor De Cana Extra Dry Rum	24 Bottles
	375ml Flor De Cana Gold Rum	24 Bottles

Diageo Americas, Inc. (NWS Michigan, Inc.)	750ml Bulleit Bourbon 10 yr	12 Bottles
	750ml Cabin Fever Maple Flavored	12 Bottles
	1000ml Cabin Fever Maple Flavored	12 Bottles
	50ml Cabin Fever Maple Flavored	120 Bottles
	375ml Cabin Fever Maple Flavored	24 Bottles
	1750ml Cabin Fever Maple Flavored	6 Bottles
	750ml Ciroc Red Berry Vodka	12 Bottles
	1000ml Circo Red Berry Vodka	12 Bottles
	750ml George Dickel Rye	12 Bottles
	1000ml George Dickel Rye	12 Bottles
	750ml Nuvo Peach Cobbler	12 Bottles
	750ml Nuvo Red Velvet Cake	12 Bottles
	750ml Smirnoff Root Beer Float Vodka	12 Bottles
	1000ml Smirnoff Root Beer Float Vodka	12 Bottles
	50ml Smirnoff Root Beer Float Vodka	120 Bottles
	1750ml Smirnoff Root Beer Float Vodka	6 Bottles
	Ugly Dog Distillery, LLC (General Wine & Liquor Co.)	750ml Ugly Dog Raspberry Vodka

That the request of Journeyman Distillery, LLC holder of 2012 Small Distiller license, for addition of the following products to the approved products list, be approved for listing, effective October 28, 2012; further prior to any sale and distribution of these products through the Commission's spirit distribution system, Journeyman Distillery, LLC, must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for these products:

<u>PRODUCT</u>	<u>PACK SIZE</u>
375ml Journeyman Humdinger Jalapeno	24 Bottles
375ml Journeyman Snaggle Tooth	24 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective December 2, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
United States Distilled Products Co. (General Wine & Liquor Co.)	750ml Kinky Liqueur	12 Bottles

C. That the following requests for promotional or special packaging be approved for listing, effective October 28, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	200ml Bacardi Gold w/50ml Peach Red	24 Bottles
	200ml Bacardi Supr w/50ml Peach Red	24 Bottles
	750ml Drambuie 15 yr w/2 GlS	6 Bottles
Jim Beam Brands Co. (NWS Michigan, Inc.)	750ml 100 Anos Reposado w/2 Sht GlS	6 Bottles
	375ml Cour VS w/50ml Pucker Apple Sass	12 Bottles
	200ml Gilbey's DLD w/50ml Gin PI	24 Bottles
	750ml Kilbeggan w/2 GlS	6 Bottles
	750ml Pinnacle Whipped w/3-50ml	6 Bottles
Brown-Forman Corporation (General Wine & Liquor Co.)	750ml J Daniel Blk w/2 Holiday Rck GlS	6 Bottles
	750ml J Daniel Old 7 Blk w/Tin	12 Bottles
	750ml Southern Comf w/50ml JD Tenn Hon	6 Bottles
	375ml Southern Comfort w/50ml Lime	12 Bottles
	750ml Southern Comfort w/50ml JD Blk	6 Bottles
	750ml Woodford Reserve w/2 Rock GlS	6 Bottles
	1750ml Three Olives w/50ml Smores	6 Bottles
Proximo Spirits, Inc. (General Wine & Liquor Co.)	1750ml Three Olives w/50ml Ron Rserv	6 Bottles
	750ml Glenmorangie Quint Ruban w/2 GlS	6 Bottles
Moet Hennessy USA, Inc. (NWS Michigan, Inc.)	750ml Grand Marnier (Fr) w/2 GlS	6 Bottles
	750ml Hennessy VS w/50ml Hnnsy Blk	6 Bottles
	750ml Hennessy XO w/Flask	6 Bottles
	750ml Flip Flop Silver w/50ml Spice PL	12 Bottles
The Wine Group, Inc. (General Wine & Liquor Co.)	1750ml Flip Flop Silver w/50ml Spice PL	6 Bottles
	750ml Flip Flop Spiced w/50ml Slvr PL	12 Bottles
	1750ml Flip Flop Spiced w/50ml Slvr PL	6 Bottles
	750ml Ciroc Snap Frost w/2-50ml	6 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	1000ml Circo Snap Frost w/50ml Red Brry	6 Bottles
	375ml Crown Royal w/50ml Crown Royal	24 Bottles
	750ml Don Julio Blanco w/2 GlS	4 Bottles
	1000ml Jose Cuervo Especial w/2-50ml	12 Bottles

C. That the following requests for promotional or special packaging be approved for listing, effective December 2, 2012:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
McCormick Distilling Company, Inc. (General Wine & Liquor Co.)	750ml Teq Rose w/V'Day Dessert GL PL	6 Bottles

D. That the following requests for deletion of product from the approved products list be approved for delisting, effective October 28, 2012:

<u>COMPANY</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Fish Hook Distilling Company, LLC (General Wine & Liquor Co.)	750ml Valentine w/Key Chain Flask	6 Bottles

D. That the following requests for deletion of product from the approved products list be approved for delisting, effective December 2, 2012:

<u>COMPANY</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
United States Distilled Products Co. (General Wine & Liquor Co.)	750ml Kinky Liqueur	6 Bottles

After discussion, the following product, as listed under Special Packaging-New Items, is denied:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	<u>PACK SIZE</u>
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Bacardi Multi Pack 5 Pk	5 Bottles

Moved by Chairman Deloney, supported by Commissioner Quimby, that the above actions be taken in accordance with the E-Quote reports dated October 8, 2012, motion carried by unanimous vote.

III. Ms. Hamilton presented licensee requests for special price reductions on spirit products in accordance with the provisions of the Commission's Order of February 15, 2006 regarding special price reductions on spirit products. She advised there are six different licensees requesting price reductions; that 1025 price reductions should be approved; and that 61 price reductions should be denied for the reasons stated in the attached reports.

Moved by Chairman Deloney, supported by Commissioner Quimby, that the 1025 special price reductions be approved as indicated on the attached Approval for Price Reduction on Liquor reports, motion carried by unanimous vote.

Moved by Chairman Deloney, supported by Commissioner Quimby, that the 61 special price reductions be denied for the reasons stated in the attached Notification of Denial for Price Reduction reports, motion carried by unanimous vote.

- IV. Mr. Robinson presented a summary of the August 2012 financial statement. He stated the report reflects the results of our operation for the period of October 1, 2011 through August 31, 2012. For comparison purposes, Mr. Robinson advised that the numbers were modified to remove one week because the August 2012 reporting period contains five accounting weeks and the August 2011 reporting period only contains four weeks. Mr. Robinson reported that Distilled Spirit case sales have risen 229,509 cases, or a 3.6% increase; and that the Total Gross Sales have increased over last year by almost \$48 million, up 5.4% . He advised that Net Income from liquor sales is up approximately \$10.5 million or 7.0% for the forty seven week accounting period. Mr. Robinson stated Beer tax collections are up just over \$630,000; Wine tax revenues were higher by almost \$800,000; and the Sunday Morning Sales Fees collected is down \$400,000.00

Moved by Chairman Deloney, supported by Commissioner Olshove, that the financial report for August 2012, be accepted, motion carried by unanimous vote.

- V. Ms. Hamilton presented a proposed bulletin that is the Schedule of Accounting Periods for the Commission for fiscal years 2012 through 2014. She advised this is a routine bulletin sent out yearly and designates accounting week numbers, number of week days per month, total week days per fiscal year, etc. Ms. Hamilton stated this information is used by the Commission for sales and inventory accounting purposes.

Moved by Chairman Deloney, supported by Commissioner Olshove, that Bulletin 2012-15, be approved as written and presented, motion carried by unanimous vote.

Ms. Hamilton presented a proposed bulletin that is sent to the authorized distribution agents of the Commission informing them of the holidays that the state will observe for 2013. She advised this is a routine bulletin that is sent out yearly that lists the days the Commission will be closed for business.

Moved by Chairman Deloney, supported by Commissioner Olshove, that Bulletin 2012-16, be approved as written and presented, motion carried by unanimous vote.

- VI. Old Business

There was no Old Business.

- VII. New Business

Chairman Deloney presented a request for a declaratory ruling as a result of the filing of a federal lawsuit that was served on the Commission on or about September 28, 2012, and was recently dismissed in favor of complying with the Commission Declaratory Ruling Procedures set forth in R 436.1971-1973-1975.

Chairman Deloney stated that the request from MGM Grand Detroit, L.L.C. (MGM) seeks a legal determination as to whether a proposed alcohol “self-tap system” is permissible under the Liquor Control Code and its rules. He indicated that MGM asserts that the proposed “self-tap system” is not a vending machine, does not violate R 436.1045 and is permissible on the licensed premises. Chairman Deloney advised that the Commission has 30 days from the receipt of a request for declaratory ruling, to notify the requestor whether the Commission will issue such a ruling.

Moved by Chairman Deloney, supported by Commissioner Quimby, that the Commission grant for a Declaratory Ruling on the issue of whether the “self-tap system” is considered a vending machine and is permissible on the licensed premises, motion carried by unanimous vote.

Chairman Deloney stated that the Commission will be accepting written arguments on this issue from interested parties. He advised the written arguments must be received in the Lansing Office of the Commission no later than October 30, 2012.

VIII. Public Comments

Faiez Asmary from NWS Michigan, Inc. stated he would like to pay tribute to Mike Rosch who recently lost his battle with cancer. Mr. Asmary stated that Mike’s leadership will be missed in the industry and that it was a privilege to work with him and call him a friend. Chairman Deloney stated he paid his respects to the family at a visitation for Mike and that the large turnout reflects just how much he will be missed by all who knew him.

With no further business, moved by Commissioner Olshove, supported by Commissioner Quimby, that the business meeting be adjourned at 11:25 a.m., motion carried by unanimous vote.

Anita Fawcett
Executive Services

Andrew J. Deloney
Chairman